

6 January 1960

Mr. Joseph E. Jones, Manager
Mutual of Omaha Health and
Accident Association
Suite 102, Ring Building
Washington, D. C.

Dear Mr. Jones:

GEHA, Inc. would like a firm premium quotation subject to the Civil Service Commission's revision of tentatively announced rules and regulations concerning the Government Health and Benefits program on the following two health benefits plans;

a. GEHA's present hospital and surgical plan modified to meet the Commission's present minimum standards. There are probably others but I have noted the following which are variances from our current contract and plan of operation:

1. Open enrollment at the beginning and once each year. For the last two years we have operated on admission by health statement only except for the first 60 days after entrance on duty.
2. Free coverage for one year for all on leave without pay.
3. No waiting periods. We have nine months' waiting period for maternity but have given nine months' coverage for this on termination. The termination feature should now be eliminated.
4. A 90-day free coverage for survivors on death of employee.
5. Continued coverage for retirees and their survivors at the same rates and same level of benefits.

To your premium charge the Association must add 4% - 1% to the Civil Service Commission and 3% to a reserve set up by the Commission to the credit of our Association. This item is mentioned to condition your calculations on any reserve you might ordinarily

Mr. Joseph E. Jones

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desire to set up and enable meeting the competition from other plans.

b. A new Hospital and Surgical Plan meeting the Commission's minimum requirements, some of which are listed above, but containing the following basic requirements:

1. Up to \$20.00 per day for up to 90 days room and board.
2. A Relative Value Surgical Schedule with a \$5.00 conversion factor.
3. Maternity room and board up to \$16.00 per day for up to 8 days.
4. Hospital extras up to \$202.50 plus 75% of covered extras up to \$5,000.00.
5. A Major Medical Schedule with \$100.00 deductible and a maximum coverage of \$5,000.00 per illness.
6. Please quote above plan b with up to \$18.00 per day room and board for 90 days but with all other features.

We intend allowing our personnel going overseas to move from the maximum plan to the minimum plan and vice versa at the time of transfer. Therefore it would appear that the claims experience of these two groups should be pooled.

As you know our premium under current operations for our present plan (a) above is \$8.25 a month for a family and your previous estimates for the plan described in (b) above, eliminating the Commission's new requirements, was \$13.22 per month for a family.

As you are aware our Association is required to submit to the Commission by 15 February 1960 a completed contract covering our new plans. In order to meet this deadline and to allow time for negotiating and drafting this contract, your earliest reply is imperative.

Since I know you are cognizant of all the current Commission releases of this matter and will be of those issued hereafter, I am not enclosing copies of those so far issued.

Distribution:

Sincerely,

O-Addressee

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OP/BS

(6Jan60)

President

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